

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 PM-07 NSC-07 SP-03 SS-20 RSC-01 L-03

AID-20 IGA-02 MC-02 ACDA-19 EB-11 OMB-01 CIAE-00

INR-10 NSAE-00 COME-00 TRSE-00 DRC-01 /122 W

----- 101849

R 310337Z MAY 74

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 40067

INFO SECDEF WASHDC

CINCPAC

CNO

C O N F I D E N T I A L SEOUL 3454

JOINT EMBASSY/COMUSK MESSAGE

E.O. 11652: GDS

TAGS: MASS KS

SUBJECT: CPIC PRODUCTION FUNDING

REF: STATE 109108

1. WE FULLY AGREE WITH THRUST REFTEL.
  2. BEST APPROACH WE BELIEVE WOULD BE TO ADVISE ROKS IMMEDIATELY TO INITIATE FMS CASH CASE, SO AS TO ENSURE FUNDS WILL BE AVAILABLE TO BEGIN PRODUCTION WITHOUT DELAY, IF FAVORABLE DECISION MADE IN SEPTEMBER. WE WOULD PUT OFF FOR PRESENT ADVISING THEM OF POSSIBILITY THERE WILL BE NO FY 75 GRANT FUNDING AT ALL FOR CPIC, AND BY INFERENCE, NO GRANT FUNDING FOR ANYTHING EXCEPT F-5S. BY STRETCHING OUT THE PROCESS WE WILL GIVE ROKS WHAT THEY NEED TO KNOW NOW FOR RATIONAL FORWARD PLANNING WITHOUT UPSETTING THEM UNDULY JUST AT TIME WE ARE TELLING THEM ABOUT FY-74 FUNDING SHORTFALL. WE SEE NO PRESSING REASON NOT TO LET REALITIES REGARDING FY 75 GRANT
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ASSISTANCE DEVELOP MORE FULLY. ALLOWING ROKS TIME

WILL ENABLE THEM TO ABSORB AND ADJUST TO THESE REALITIES MORE EASILY.

3. ACCORDING, IF DEPARTMENT AGREES, WE PROPOSE THAT JUSMAG CHIEF SEND LETTER TO MND ASSISTANT SECRETARY FOR LOGISTICS PAIK SEOK CHU WHICH WOULD MAKE FOLLOWING POINTS:

A. AMOUNT FY 75 ASSISTANCE AVAILABLE FOR CPIC WILL NOT BE KNOWN UNTIL CONGRESS PASSES 1975 FAA AND THIS COULD BE AS LATE AS THE FIRST HALF OF CY 1975.

B. GIVEN CPIC GRANT AID SPENDING CEILING, RISING COSTS WILL NOW SUPPORT PROCUREMENT OF ONLY 12 RATHER THAN PREVIOUSLY PLANNED 14 CRAFT.

C. WE RECOMMEND ROKG ESTABLISH FMS CASH CASE TO ENSURE INITATION OF PRODUCTION, IF FAVORABLE DECISION MADE IN SEPTEMBER. CASH WILL ALSO OFFSET DECREASE IN NUMBER OF CRAFT THAT CAN BE BOUGHT WITH GRANT AID.

4. WHILE MND NOT LIKELY TO BE SURPRISED BY SUCH A LETTER WE WOULD EXPECT THEM TO REACT NEGATIVELY FOR THE RECORD, NOTING WE ARE BREAKING PAST COMMITMENTS SUCH AS CONTAINED IN SECRETARY LAIRD'S LETTER OF 24 OCTOBER 1972.

5. REQUEST APPROVAL ABOVE APPROACH.  
ERICSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY ASSISTANCE, MILITARY PERSONNEL, MILITARY CREDIT, MILITARY SALES, FOREIGN ASSISTANCE APPROPRIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974SEOUL03454  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740137-1029  
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**Office:** ACTION EA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** STATE 109108  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <24 MAR 2003 by BoyleJA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CPIC PRODUCTION FUNDING  
**TAGS:** MASS, KS, US, CPIC  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005